

EXHIBIT A

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA

In Re:

No. 5:12-bk-02073-JJT

Saint Catherine Hospital of Pennsylvania,
LLC,

Debtor.

Chapter 7

**STIPULATION AND ORDER BETWEEN THE TRUSTEE AND THE UNITED STATES
FOR RELIEF FROM THE AUTOMATIC STAY
TO SETOFF MUTUAL PREPETITION DEBTS**

William G. Schwab, (the "Trustee"), as Chapter 7 trustee of Saint Catherine Hospital of Pennsylvania, LLC (the "Debtor") and the United States of America, on behalf of the Secretary of the United States Department of Health and Human Services (the "Secretary") and the Internal Revenue Service (the "IRS"), hereby stipulate and agree as follows:

RECITALS:

- A. On April 9, 2012, Debtor filed under Chapter 11 of the Bankruptcy Code.
- B. On April 13, 2012, William G. Schwab was appointed Trustee for the Debtor.
- C. On April 18, 2012, the case was converted to Chapter 7.
- D. Debtor provided hospital and other services to Medicare beneficiaries under Medicare provider numbers 39-0313, 39-S313 and 39-6104 until it closed on or before March 30, 2012.
- E. On October 9, 2012, the Secretary filed a proof of claim in this case totaling \$1,229,461.42 (the "HHS Claim").

F. On May 9, 2012, the IRS filed claim no. 46 (the "IRS Claim" and, together with the HHS Claim, the "Claims"), asserting a total claim of \$1,394,650.65, including a \$1,207,401.63 priority claim, and a \$188,249.02 unsecured claim.

G. On October 17, 2014 (Doc. 402), the Secretary filed a motion for relief from the automatic stay to setoff \$160,466.83 in Medicare payments otherwise due the Debtor, then subject to an administrative freeze, against amounts the Debtor owes the United States (a unitary creditor), including:

1. Outstanding Medicare overpayments totaling \$86,836, and
2. \$73,630.77 of the total \$188,249.02 unsecured portion of the IRS Claim.

H. The Trustee has filed: (1) A limited objection to the Secretary's motion for setoff (Doc. 1067) and supporting brief (Doc. 1085); and (2) an objection to the HHS Claim, which included a request for a hearing before the Bankruptcy Court on substantive Medicare reimbursement issues (Doc. 1080).

I. The parties desire to amicably resolve these issues.

J. The Stipulation is in the best interest of the estate.

AGREEMENT:

1. Following Court approval of this Stipulation, the Secretary will pay the Trustee \$15,000.
2. The Trustee hereby withdraws his objection to the HHS Claim and his limited objection to the Secretary's motion for setoff.
3. The Trustee consents to the Bankruptcy Court lifting the automatic stay imposed by 11 U.S.C. § 362 to permit the Secretary to setoff:

a. Medicare overpayments totaling \$86,836, and
b. \$58,630.77 of the priority portion of the IRS Claim (the "Offset Amounts").

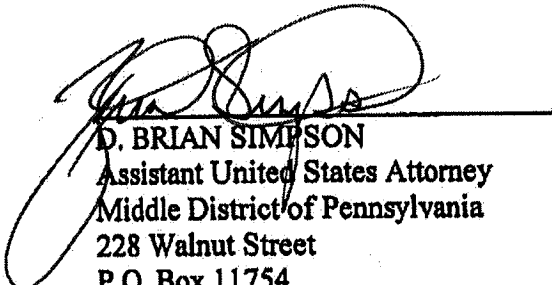
4. After the setoff of the Offset Amounts, outstanding Medicare overpayments will total \$0.00.

5. The United States waives its right to setoff in the future any Medicare overpayments which are presently known or could have been determined as of the date of this Stipulation against Medicare underpayments which may be determined in the future.

6. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page by telecopy or an attachment to an e-mail shall be effective as delivery of an executed counterpart.

SO STIPULATED:

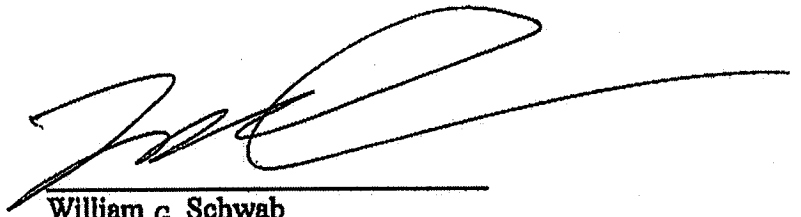
For the United States Department of
Health and Human Services



D. BRIAN SIMPSON
Assistant United States Attorney
Middle District of Pennsylvania
228 Walnut Street
P.O. Box 11754
Federal Building
Harrisburg, PA 17108

Date: December 16th, 2014

For the Trustee:



William G. Schwab
Chapter 7 Trustee of Saint Catherine Hospital
of Pennsylvania, LLC

Date: December 16, 2014

SO ORDERED this ____ day of _____, 2015

JOHN J. THOMAS,
UNITED STATES BANKRUPTCY JUDGE

**UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF PENNSYLVANIA**

In re:

SAINT CATHERINE HOSPITAL OF
PENNSYLVANIA, LLC,

Debtor.

Chapter 7

Case No. 5:12-bk-02073 (JJT)

CERTIFICATE OF SERVICE

I hereby certify that on December 16, 2014, I caused a true and correct copy of the Motion of William G. Schwab, as Chapter 7 Trustee of Saint Catherine Hospital of Pennsylvania, LLC, for an Order Pursuant to Federal Rule of Bankruptcy Procedure 9019(a) approving Settlement of Disputed Matters between and among the Trustee, United States Department of Health and Human Services and Internal Revenue Service and the Notice of Motion of William G. Schwab, as Chapter 7 Trustee of Saint Catherine Hospital of Pennsylvania, LLC, for an Order Pursuant to Federal Rule of Bankruptcy Procedure 9019(a) approving Settlement of Disputed Matters between and among the Trustee, United States Department of Health and Human Services and Internal Revenue Service to be served on the attached service list via the Court's CM/ECF electronic filing system and/or U.S. first class mail, postage prepaid.



JEFFREY KURTZMAN